



NOTICE OF PROPOSED WATER AND SEWER RATE CHANGES
June 3, 2015

TO: Water and Sewer Ratepayers and Parcel Owners in the City of Hayward Service Area
(Please forward this notice to the ratepayer)

The City of Hayward is proposing increases in water and sewer rates, effective October 1, 2015 and October 1, 2016. The City is also proposing changes in the method by which water use charges are calculated for residential customers in properties with 2 to 4 dwelling units. A public hearing will be held by the Hayward City Council regarding the proposed rate adjustments on **Tuesday, July 21, 2015, at 7:00 p.m.**, at the Hayward City Hall, 777 B Street. **Rates and charges, which may be adopted at the conclusion of the public hearing, will not exceed the proposed rates presented in this notice.**

Este aviso contiene información importante sobre el costo de servicio de agua y del sistema de alcantarilla de la Ciudad de Hayward. Para obtener esta información en español, por favor llame a la Ciudad de Hayward al (510) 583-4700.

WATER RATES

The City of Hayward relies entirely on water rate revenue to fund the costs of providing water service. Therefore water rates must be set at sufficient levels to recover the cost of purchasing wholesale water from the San Francisco Public Utilities Commission (SFPUC), Hayward’s sole water supplier, operating and maintaining the water distribution system, and funding needed water conservation programs to encourage efficient water use.

PROPOSED WATER USAGE RATES

Water usage charges pay for the costs of purchasing and delivering water, and are based on the quantity of water used in your home or business as measured by your water meter. Increases in the wholesale cost of purchasing water from the SFPUC, along with modest general operating cost increases, have resulted in the need to adjust water usage rates. **SFPUC has adopted a 28% rate increase effective July 1 and a further wholesale rate increase is expected next year.** Water purchases account for 2/3 of our total costs. In addition, while Hayward has implemented many cost containment measures, there are some unavoidable increases in the cost of operating and maintaining the distribution system to ensure reliable water delivery. Finally, increased investment in water conservation and efficient water use is needed to address continued drought conditions and required water use reductions.

Hayward’s water usage rates are comprised of tiered rate schedules for residential and non-residential customers in accordance with cost recovery calculations for each customer classification. Proposed water rates for FYs 2016 and 2017 are based on the SFPUC wholesale rate of \$3.75 per hundred cubic feet (ccf) in FY 2016 and \$3.78 per ccf in FY 2017. Pursuant to California Government Code 53756, Hayward may pass through any additional increases in SFPUC wholesale rates above the SFPUC projections upon notification to all customers at least 30 days in advance of implementation.

2 – 4 Dwelling Unit Water Rates

Hayward currently calculates water costs for duplexes, triplexes and fourplexes (2 to 4 dwelling units) using the same tier rate structure used for single-family residential rates. A new rate structure and calculation methodology is proposed that would link the water usage fee more closely to water use by residents. To obtain the average-per-dwelling-unit usage, the total units of water utilized in a billing period would be divided by the number of dwelling units. The proposed rate structure, shown below, would be applied to the average per-dwelling-unit usage. This amount would be multiplied by the number of dwelling units to calculate the water usage charge. The service fee will then be added. Although the cost impact of this proposal varies widely, depending upon water usage and service fees, in general, overall increases would be less than that of single-family homes and commercial accounts in the first year, with some affected customers seeing a small decrease in their water bills. This change applies to standard water services only; irrigation accounts will continue to be billed as commercial entities.

CURRENT AND PROPOSED WATER USAGE RATES				
	Usage	Current Rate/ccf	Rate/ccf Oct 1, 2015	Rate/ccf Oct 1, 2016
Single-Family Residential (SFR) (Proposed tiers reduced from 4 to 3)	1 – 8 ccf	\$4.75	\$5.42	\$5.80
	9 – 25 ccf	\$5.70	\$6.58	\$7.14
	26 – 60 ccf	\$6.95	\$7.75	\$8.41
	Over 60 ccf	\$7.50	Same as 26 – 60 units	
Duplex, Triplex and Fourplex Residential (Per dwelling unit, based on average use)	1 – 8 ccf	Same rates and structure as SFR	\$5.93	\$6.43
	9 – 25 ccf		\$6.61	\$7.15
	Over 25 ccf		\$7.85	\$8.52
Multi-Family Residential (five or more dwelling units per account; Per dwelling unit, based on average usage) (Proposed tiers reduced from 4 to 3)	1-8 ccf	\$5.60	\$6.41	\$6.97
	9-16 ccf	\$5.75	\$6.64	\$7.23
	17-20 ccf	\$5.90	Same as 9-16 units	
	>20 ccf	\$6.40	\$7.33	\$7.94
Non-Residential	1 – 200 ccf	\$5.75	\$6.41	\$6.95
	Over 200 ccf	\$6.85	\$7.64	\$8.29

Note: One ccf of water equals 748 gallons. A typical SFR customer currently uses an average of 200 gallons per day.

PROPOSED WATER SERVICE FEES

Water service fees, which are based on meter size, pay for fixed costs of providing service, such as meter reading, billing, customer service and debt service obligations, and do not vary with the quantity of water purchased.

CURRENT AND PROPOSED WATER SERVICE FEES			
Meter Size	Current	Proposed (Oct 1, 2015)	Proposed (Oct 1, 2016)
Low income residential	\$2.00	\$3.50	\$5.60
5/8 inch	\$12.00	\$14.00	\$16.00
3/4 inch	\$16.30	\$19.05	\$21.75
1 inch	\$24.70	\$28.90	\$32.95
1 1/2 inch	\$54.10	\$63.30	\$72.15
2 inch	\$95.20	\$111.40	\$127.00
3 inch	\$240.30	\$281.15	\$320.50
4 inch	\$476.00	\$556.90	\$634.90
6 inch	\$839.70	\$982.45	\$1,120.00
8 inch	\$1,162.40	\$1,360.00	\$1,550.50

The proposed water rates and fees will result in overall increases of no more than 15% for most customers in the first year and 9% increases in the second year. For example, a family that uses 16 ccf of water, or about 200 gallons per day, will see an average 15% increase in its bimonthly billing, from \$95.60 to \$110.00 the first year and a further 9% increase to \$119.52 in the second year. Customers who reside outside of the City limits pay a 15% surcharge on water service and usage charges based on cost of service.

SEWER SERVICE CHARGES

Sewer service charges pay for the collection, treatment and disposal of wastewater from residences and businesses and is based on the type and volume of wastewater disposed. Increases in the costs of providing these services have resulted in the need for modest rate adjustments.

PROPOSED MONTHLY RESIDENTIAL SEWER SERVICE CHARGES

The standard residential rate is proposed to increase by 3% in each of the next two years. Lower monthly rates, called Economy and Lifeline rates, are automatically applied to billings where metered water consumption is lower than the standard usage, as shown below. The following table lists the current and proposed residential sewer service charges.

CURRENT AND PROPOSED MONTHLY RESIDENTIAL SEWER SERVICE CHARGES			
	Current	Proposed (Oct 1, 2015)	Proposed (Oct 1, 2016)
Standard Residential (single-family unit)	\$28.09	\$28.93	\$29.80
Duplex, Triplex, Fourplex (per unit)	\$28.09	\$28.93	\$29.80
Multi-Family (per unit)	\$25.00	\$25.75	\$26.52
Mobile Home (per unit)	\$19.66	\$20.25	\$20.86
Economy (6 to 10 units of metered water usage)	\$16.45	\$16.94	\$17.45
Lifeline (0 to 5 units of metered water usage)	\$8.22	\$8.47	\$8.72

NON-RESIDENTIAL SEWER SERVICE CHARGES

Most non-residential customers are classified by the type of businesses that most closely resembles the nature of wastewater generated. A small number of critical users are billed according to actual measured wastewater strength and volume. The following table lists non-residential sewer service charges for the most common businesses and for critical users. A complete list of charges can be found at www.hayward-ca.gov or you can call (510) 583-4700 to request a copy by mail.

NON-RESIDENTIAL SEWER SERVICE CHARGES FOR CODED USERS*
(per ccf of metered water use)

	With Separate Irrigation Meter			Without Separate Irrigation Meter		
	Current	Proposed (Oct1, 2015)	Proposed (Oct 1, 2016)	Current	Proposed (Oct 1, 2015)	Proposed (Oct 1, 2016)
Commercial/Government	\$4.78	\$4.85	\$4.92	\$4.30	\$4.37	\$4.43
Restaurant w/ Grease Interceptor	\$7.04	\$7.08	\$7.10	\$6.33	\$6.36	\$6.39
Restaurant w/o Grease Interceptor	\$9.20	\$9.20	\$9.20	\$8.26	\$8.27	\$8.27
Commercial Laundry	\$5.28	\$5.34	\$5.39	\$4.75	\$4.80	\$4.85
Bakery	\$9.20	\$9.20	\$9.20	\$8.26	\$8.27	\$8.27
Beverage Bottling	\$5.43	\$5.46	\$5.50	\$4.89	\$4.92	\$4.95

NON-RESIDENTIAL SEWER SERVICE CHARGES FOR CRITICAL USERS*

	Current	Proposed (Oct 1, 2015)	Proposed (Oct 1, 2016)
Flow – Cost per ccf of wastewater	\$2.336	\$2.434	\$2.532
Carbonaceous Biochemical Oxygen Demand – Cost per pound	\$0.649	\$0.632	\$0.614
Suspended Solids – Cost per pound	\$0.745	\$0.749	\$0.753

*Calculated based on formula and not a straight 3% increase.

Non-residential sewer bills are generally expected to increase by about 1% to 6%. If you need assistance in calculating the impact of the proposed rate adjustments, please contact the Department of Utilities and Environmental Services at (510) 583-4700 or by e-mail at utilities.administration@hayward-ca.gov.

SUBMITTING WRITTEN PROTESTS

The proposed rate changes will not take effect if written protests are received from a majority of affected property owners and tenants responsible for paying utility bills. If you wish to protest the proposed service rate increases, the City must receive your written protest by mail or hand delivery before the close of the **public hearing on July 21, 2015**. Mail or deliver written protests to: City of Hayward, 777 B Street, Hayward, CA 94541, Attention: City Clerk. For your protest to be counted, it must indicate your name, and either the address(es) or water/sewer account number(s) of your property or properties.

Assistance will be provided to those requiring accommodations for disabilities in compliance with the Americans with Disabilities Act of 1990. Accommodations must be requested at least 48 hours in advance by calling (510) 583-4400 or TDD (510) 247-3340.